

**UNION PARISH SHERIFF**  
**Farmerville, Louisiana**

**Annual Financial Statements**  
**With Independent Auditor's Report**  
**As of and for the Year Ended**  
**June 30, 2012**

**With Supplemental Information Schedules**

UNION PARISH SHERIFF  
Farmerville, Louisiana

Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended June 30, 2012  
With Supplemental Information Schedules

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## **Independent Auditor's Report**

### **UNION PARISH SHERIFF Farmerville, Louisiana**

I have audited the accompanying financial statements of the governmental activities and major fund of the Union Parish Sheriff, a component unit of Union Parish Police Jury, as of June 30, 2012, and for the year then ended, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Union Parish Sheriff's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Union Parish Sheriff as of June 30, 2012, and the respective changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9, the budgetary comparison information on pages 36 through 40, the schedule of funding progress for the retiree healthcare plan on page 41, and the affidavit on tax collector reporting on page 42 be presented to supplement the basic financial statements.. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

UNION PARISH SHERIFF  
Farmerville, Louisiana  
Independent Auditor's Report,  
June 30, 2012

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Parish Sheriff's basic financial statements as a whole. The supplemental information schedules listed in the table of contents, and the schedule of expenditures of federal awards on page 48, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for the purpose of additional analysis and are not a required part of the financial statements of the Union Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated November 12, 2012, on my consideration of the Union Parish Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

West Monroe, Louisiana  
November 12, 2012

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

UNION PARISH SHERIFF  
Farmerville, Louisiana

**Management's Discussion and Analysis**  
June 30, 2012

As management of the Union Parish Sheriff, I offer readers of the Union Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Union Parish Sheriff for the fiscal year ended June 30, 2012. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

***Government-wide financial statements.*** The *government-wide financial statements* are designed to provide readers with a broad overview of the Union Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Union Parish Sheriff's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Union Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

***Fund financial statements.*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Union Parish Sheriff, like other

state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Union Parish Sheriff can be divided into two categories: governmental funds and fiduciary (agency) funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Union Parish Sheriff adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided to demonstrate compliance with this budget.

**Fiduciary funds.** Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Union Parish Sheriff's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** in addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Union Parish Sheriff's performance.

The combining schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Union Parish Sheriff exceeded liabilities by \$6,102,655. Approximately 65% of the Union Parish Sheriff's net assets reflects its investment in capital assets (equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources.

An additional portion of the Union Parish Sheriff's net assets represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net assets is affected by two factors: 1) resources



expended, over time, by the Union Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets included in the statement of net assets.

#### STATEMENT OF NET ASSETS

	2012	2011
<b>ASSETS</b>		
Cash and cash equivalents	\$2,361,143	\$3,147,713
Receivables	259,559	239,739
Due from other funds	4,323	4,074
Capital assets (net of accumulated depreciation)	<u>4,544,580</u>	<u>1,840,065</u>
<b>TOTAL ASSETS</b>	<b><u>\$7,169,605</u></b>	<b><u>\$5,231,591</u></b>
<b>LIABILITIES</b>		
Accounts payable	\$39,726	\$111,212
Salaries payable	137,772	114,691
Withholdings payable	34,004	7,175
Federal revenue bonds payable	600,000	
Interest payable	14,216	
Compensated absences payable	14,097	10,919
Net OPEB obligation	<u>227,135</u>	<u>150,581</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,066,950</u></b>	<b><u>394,578</u></b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	3,944,582	1,840,065
Unrestricted	<u>2,158,073</u>	<u>2,996,948</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$6,102,655</u></b>	<b><u>\$4,837,013</u></b>

#### STATEMENT OF ACTIVITIES

	2012	2011
<b>Public safety:</b>		
Personal services	\$2,913,113	\$2,701,802
Operating services	503,228	480,209
Materials and supplies	329,712	357,892
Travel	68,843	65,196
Depreciation expense	284,830	297,698
Debt service interest	14,216	
Intergovernmental	<u>1,555</u>	<u>7,808</u>
<b>Total Program Expenses</b>	<b><u>4,115,497</u></b>	<b><u>3,910,605</u></b>
<b>Program revenues:</b>		
Civil and criminal fees	187,719	300,336
Commissions on license and taxes	45,069	47,237
Court attendance	7,514	2,958
Transportation of prisoners	5,955	6,964
Bond fees	15,665	15,688
Accident reports	13,113	8,207
Other fees		<u>15,459</u>
<b>Total program revenues</b>	<b><u>275,035</u></b>	<b><u>396,849</u></b>
<b>Net Program Expenses</b>	<b>(3,840,462)</b>	<b>(3,513,756)</b>
<b>General revenues:</b>		
<b>Taxes:</b>		
Ad valorem	440,606	891,767
Sales	<u>2,211,712</u>	<u>2,376,592</u>
<b>Grants and contributions not restricted to specific programs:</b>		
Federal sources	358,007	103,361
State sources	<u>2,073,265</u>	<u>457,969</u>
Local	2,000	1,000
Interest earned	4,505	9,524
Miscellaneous	<u>16,009</u>	<u>22,066</u>

Special items:		
Gain (loss) on sale of assets		\$9,868
Insurance recovery		322
Change in Net Assets	\$1,265,642	358,713
<b>NET ASSETS</b>		
Beginning of year	4,837,013	4,478,300
End of year	<u>\$6,102,655</u>	<u>\$4,837,013</u>

## Financial Analysis of the Government's Funds

As noted earlier, the Union Parish Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2012, combined governmental fund balances of \$2,413,523 showed a decrease of \$744,925 over June 30, 2011.

## General Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget were due to an increase in federal grants, state supplemental pay and other revenues and decreases in sales taxes, civil and criminal fees, and commissions on licenses and taxes. Differences between expenditures in the original and final budget were due to an increase in materials and supplies, travel and other charges, and capital outlay and a decrease in operating services. There were no amendments on state and federal grant funds, these are expenditure driven.

## Capital Asset and Debt Administration

**Capital assets.** The Union Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$4,544,580 net of accumulated depreciation). This investment includes vehicles, furniture, and equipment. The increase in capital assets for the year was \$2,989,345, which mainly consisted of construction in progress. There were no decreases during the current year.

**Long-term debt.** At the end of the fiscal year, Union Parish Sheriff had total debt outstanding of \$841,232 in the form of compensated absences of \$14,097, federal revenue bonds of \$600,000, and net OPEB obligation of \$227,135. The Union Parish Sheriff contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff's group health insurance plan.

## Requests for Information

This financial report is designed to provide a general overview of the Union Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Union Parish Sheriff, P.O. Box 723, Farmerville, LA 71241.

## **BASIC FINANCIAL STATEMENTS**

**Statement A****UNION PARISH SHERIFF  
Farmerville, Louisiana****STATEMENT OF NET ASSETS  
June 30, 2012****ASSETS**

Cash and cash equivalents	\$2,361,143
Receivables	259,559
Due from other funds	4,323
Capital assets (net of accumulated depreciation)	<u>4,544,580</u>
<b>TOTAL ASSETS</b>	<b><u>\$7,169,605</u></b>

**LIABILITIES**

Accounts payable	\$39,726
Salaries payable	137,772
Withholdings payable	34,004
Federal Revenue Bonds payable	600,000
Interest payable	14,216
Compensated absences payable	14,097
Net OPEB obligation	<u>227,135</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,066,950</u></b>

**NET ASSETS**

Invested in capital assets, net of related debt	3,944,582
Unrestricted	<u>2,158,073</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$6,102,655</u></b>

The accompanying notes are an integral part of this statement.

**Statement B**

UNION PARISH SHERIFF  
Farmerville, Louisiana  
STATEMENT OF ACTIVITIES  
June 30, 2012

Public safety:	
Personal services	\$2,913,113
Operating services	503,228
Materials and supplies	329,712
Travel	68,843
Depreciation expense	284,830
Debt service interest	14,216
Intergovernmental	1,555
Total Program Expenses	<u>4,115,497</u>
Program revenues:	
Civil and criminal fees	187,719
Commissions on license and taxes	45,069
Court attendance	7,514
Transportation of prisoners	5,955
Bond fees	15,665
Accident reports	13,113
Total program revenues	<u>275,035</u>
Net Program Expenses	<u>(3,840,462)</u>
General revenues:	
Taxes:	
Ad valorem	440,606
Sales	2,211,712
Grants and contributions not restricted to specific programs:	
Federal sources	358,007
State sources	2,073,265
Local	2,000
Interest earned	4,505
Miscellaneous	16,009
Change in Net Assets	<u>1,265,642</u>
<b>NET ASSETS</b>	
Beginning of year	<u>4,837,013</u>
End of year	<u><u>\$6,102,655</u></u>

The accompanying notes are an integral part of this statement.

**Statement C**

**UNION PARISH SHERIFF  
Farmerville, Louisiana  
GOVERNMENTAL FUND**

**Balance Sheet, June 30, 2012**

.....Major Funds.....

	General Fund	State Construction	USDA Construction	Non Major Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$2,346,983		\$2,490	\$11,670	\$2,361,143
Receivables	237,298	\$9,006	13,255		259,559
Due from other funds	4,323				4,323
<b>TOTAL ASSETS</b>	<b><u>\$2,588,604</u></b>	<b><u>\$9,006</u></b>	<b><u>\$15,745</u></b>	<b><u>\$11,670</u></b>	<b><u>\$2,625,025</u></b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable	\$17,466	\$9,006	\$13,254		\$39,726
Salaries payable	137,772				137,772
Withholdings payable	34,004				34,004
Total Liabilities	189,242	9,006	13,254	NONE	211,502
Fund equity:					
Reserved			2,491	\$11,670	14,161
Unassigned	2,399,362				2,399,362
Total fund equity	<u>2,399,362</u>	<u>NONE</u>	<u>2,491</u>	<u>11,670</u>	<u>2,413,523</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$2,588,604</u></b>	<b><u>\$9,006</u></b>	<b><u>\$15,745</u></b>	<b><u>\$11,670</u></b>	<b><u>\$2,625,025</u></b>

The accompanying notes are an integral part of this statement.

UNION PARISH SHERIFF  
Farmerville, Louisiana

Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Assets

For the Year Ended June30, 2012

Total Fund Balances at June 30, 2012 - Governmental Funds (Statement C)		\$2,413,523
Cost of capital assets at June 30, 2012	\$6,057,618	
Less: Accumulated depreciation as of June 30, 2012	<u>(1,513,038)</u>	4,544,580
Long-term liabilities at June 30, 2012 -		
Compensated absences payable	(14,097)	
Revenue bonds payable	(600,000)	
Interest payable	(14,216)	
Net OPEB obligation	<u>(227,135)</u>	<u>(855,448)</u>
Net Assets at June 30, 2012 (Statement A)		<u><u>\$6,102,655</u></u>

The accompanying notes are an integral part of this statement.

UNION PARISH SHERIFF  
Farmerville, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance

For the Year Ended June 30, 2012

	....Major Funds.....				
	General Fund	State Construction	USDA Construction	Non Major Funds	TOTAL
<b>REVENUES</b>					
Taxes:					
Ad valorem	\$440,606				\$440,606
Sales	2,211,712				2,211,712
Intergovernmental revenues:					
Federal grants	54,231		\$303,776		358,007
State grants:					
State supplemental pay	190,096				190,096
State revenue sharing (net)	104,556				104,556
State FP&C grant		\$1,744,451			1,744,451
Other	34,162				34,162
Local grants	2,000				2,000
Fees, charges, and commissions for services:					
Civil and criminal fees	187,719				187,719
Commissions on licenses and taxes	45,069				45,069
Court attendance	7,514				7,514
Transportation of prisoners	5,955				5,955
Bond fees	15,665				15,665
Accident reports	13,113				13,113
Use of money and property	4,501			4	4,505
Other	16,009				16,009
Total revenues	<u>3,332,908</u>	<u>1,744,451</u>	<u>303,776</u>	<u>4</u>	<u>5,381,139</u>
<b>EXPENDITURES</b>					
Public safety:					
Current:					
Personal services and related benefits	2,833,381				2,833,381
Operating services	503,228				503,228
Materials and supplies	329,712				329,712
Travel and other charges	68,843				68,843
Capital outlay	343,609	1,744,451	901,285		2,989,345
Intergovernmental	1,555				1,555
Total expenditures	<u>4,080,328</u>	<u>1,744,451</u>	<u>901,285</u>	<u>NONE</u>	<u>6,726,064</u>

(Continued)



**Statement D**

UNION PARISH SHERIFF  
 Farmerville, Louisiana  
 GOVERNMENTAL FUND TYPE -  
 GENERAL FUND  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance

	<u>General Fund</u>	<u>State Construction</u>	<u>USDA Construction</u>	<u>Non Major Funds</u>	<u>TOTAL</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(\$747,420)	NONE	(\$597,509)	\$4	(\$1,344,925)
<b>OTHER FINANCING SOURCE (Use):</b>					
Proceeds from bond issue-federal			600,000		600,000
Operating transfer in				11,666	11,666
Operating transfer out	<u>(11,666)</u>				<u>(11,666)</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER OVER EXPENDITURES AND OTHER USE</b>	(759,086)	NONE	2,491	11,670	(744,925)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>3,158,448</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>3,158,448</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$2,399,362</u>	<u>NONE</u>	<u>\$2,491</u>	<u>\$11,670</u>	<u>\$2,413,523</u>

(Concluded)

The accompanying notes are an integral part of this statement.

UNION PARISH SHERIFF  
Farmerville, Louisiana

Reconciliation of Governmental Funds  
Statement of Revenue, Expenditures, and Changes  
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds (Statement D)	(\$744,925)
 Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period:	2,704,515
In the government wide financial statements, the revenue bond issue is reported as an other financing source but reported as bonds payable in the governmental funds.	(600,000)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(14,216)
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Assets and are not reflected in the Statement of Activities.	(76,554)
In the Statement of Activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	<u>(3,178)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$1,265,642</u></u>

The accompanying notes are an integral part of this statement.

**Statement E**

**UNION PARISH SHERIFF**  
**Farmerville, Louisiana**  
**Statement of Fiduciary Net Assets - Agency Funds**

June 30, 2012

	<u>TAX COLLECTOR FUND</u>	<u>SEIZURE FUND</u>	<u>CIVIL FUND</u>	<u>CRIMINAL FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Cash and equivalents	\$61,122	\$7,444	\$42,236	\$164,135	\$274,937
Receivables				850	850
Total Assets	<u>\$61,122</u>	<u>\$7,444</u>	<u>\$42,236</u>	<u>\$164,985</u>	<u>\$275,787</u>
<b>LIABILITIES</b>					
Unsettled deposits due to:					
Other funds	\$572		\$541	\$3,210	\$4,323
Others	60,550	\$7,444	41,695	161,775	271,464
Total Liabilities	<u>\$61,122</u>	<u>\$7,444</u>	<u>\$42,236</u>	<u>\$164,985</u>	<u>\$275,787</u>

**UNION PARISH SHERIFF**  
**Farmerville, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsmen licenses, and fines, costs, and bond forfeitures imposed by the district court.

The sheriff has the responsibility for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. Additionally, the sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

The accompanying financial statements of the Union Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Union Parish Police Jury is the financial reporting entity for Union Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Union Parish Police Jury

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for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides partial funding for equipment, furniture and supplies of the sheriff's office, the sheriff was determined to be a component unit of the Union Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Union Parish financial reporting entity.

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The sheriff's basic financial statements include both government-wide (reporting the sheriff as a whole) and fund financial statements (reporting the sheriff's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the sheriff are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term

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Notes to the Financial Statements (Continued)

assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the sheriff's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

**Allocation of Indirect Expenses** - The sheriff reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### **C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only

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Notes to the Financial Statements (Continued)

governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

**Governmental Fund Type**

**General Fund** - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

**Fiduciary Fund Type - Agency Funds**

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

## **UNION PARISH SHERIFF**

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### **Notes to the Financial Statements (Continued)**

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

#### **Revenues**

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

#### **Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

### **E. CASH AND CASH EQUIVALENTS**

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2012, the sheriff has cash and equivalents (book balances) totaling \$2,636,080 follows:



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Demand deposits	\$2,635,580
Petty cash	<u>500</u>
Total	<u>\$2,636,080</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2012, are secured as follows:

Bank balances	<u>\$2,788,946</u>
Federal deposit insurance	\$741,081
Pledged securities (uncollateralized)	<u>3,379,702</u>
Total	<u>\$4,120,783</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

#### **F. SALES TAX**

The voters of the parish approved the continuance of a ½ of one percent sales and use tax and to levy an additional ½ of one percent sales and use tax for ten (10) years, beginning April 1, 2002. This sales tax was renewed beginning April 1, 2012 for a period of ten (10) years. The proceeds of the sales tax are dedicated for the purpose of providing additional funding for the law enforcement district. The sheriff's office has entered into an agreement with the Lincoln Parish Sales and Use Tax Commission for collection of the tax. For its services, the tax commission receives one and one-eighths per cent (1-1/8%) of gross collections for the first calendar year ended December 31, 2012.

#### **G. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$500 or more for capitalizing capital assets.

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Notes to the Financial Statements (Continued)

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

#### H. VACATION AND SICK LEAVE

All employees are granted from one to two weeks of vacation leave each year, depending on length of service. Vacation leave must be taken in the year granted and may not be accumulated and carried forward to succeeding years. Sick leave is earned at a rate of eight hours per month, and may not be accumulated and carried forward to succeeding years.

#### I. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the sheriff maintains commercial insurance policies covering his automobiles and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2012.

#### 2. RECEIVABLES

The receivables of \$260,409 at June 30, 2012, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>State Construction</u>	<u>USDA Construction</u>	<u>Agency Funds</u>	<u>Total</u>
Taxes - Sales Tax	\$191,482				\$191,482
Federal grants	6,692		\$13,255		19,947
State grants	9,489	\$9,006			18,495
Civil and criminal fees	11,265			\$850	12,115
Other	18,370				18,370
Total	<u>\$237,298</u>	<u>\$9,006</u>	<u>\$13,255</u>	<u>\$850</u>	<u>\$260,409</u>

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Notes to the Financial Statements (Continued)

**3. CHANGES IN CAPITAL ASSETS**

A summary of changes in office furnishings, vehicles, and equipment follows:

Adjusted balance at June 30, 2011	\$3,068,273
Additions	2,989,345
Deletions	<u>NONE</u>
Balance at June 30, 2012	6,057,618
Less accumulated depreciation	<u>(1,513,038)</u>
Net Capital Assets	<u>\$4,544,580</u>

**4. PENSION PLAN**

Substantially all employees of the Union Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. All sheriffs and all deputies who are 18 years or older at the time of original employment, who earn not less than \$400 per month if employed after September 7, 1979 and before January 1, 1991; \$550 if employed between January 1, 1991 and December 31, 1999; and \$800 if employed after January 1, 2000 are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to 3.33 percent of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 6554 Florida Blvd., Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan members are required by state statute to contribute 10 percent of their annual covered salary and the Union Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.5 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Union Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statue 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on

the results of the valuation for the prior fiscal year. The Union Parish Sheriff's contributions to the System for the years ended June 30, 2012, 2011, and 2010 were \$255,256, \$234,054, and \$190,832, respectively, equal to the required contributions for each year.

## **5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description.** The Union Parish Sheriffs Office's medical and life insurance benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree (not dependents). See the sections below for details on Life Insurance and dental benefits. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; or, attainment of age 55 and completion of 12 years of service. See the section below entitled "Expected Time of Commencement of Benefits" for the assumption as to time of actual retirement.

Life insurance coverage is provided to retirees and the blended rate (active and retired) is \$0.348 per \$1,000 of insurance. The employer pays for the first \$10,000 of life insurance after retirement for the retiree and the retirees pay for the volume in excess of \$10,000. However, both the employer and retiree rates are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees but not for the dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

**Contribution Rates.** Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Fund Policy.** Until 2009, the Union Parish Sheriff's Office recognized the cost of providing post-employment medical and life benefits (Union Parish Sheriff's Office portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2011/2012, Union Parish Sheriff's Office portion of health care funding cost for retired employees totaled \$23,273.

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Effective with the Fiscal Year beginning July 1, 2009, Union Parish Sheriff's Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45).

**Actuarial Value of Plan Assets.** Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

**Turnover Rate.** An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 15%. The rates for each age are below:

Age	Percent Turnover
18 - 25	25.0%
26 - 40	18.0%
41 - 54	15.0%
55+	10.0%

**Post employment Benefit Plan Eligibility Requirements.** Historically, employees have entered D.R.O.P. after age 55 and 25 years of service, or age 65 and 12 years of service. We have therefore assumed that employees retire three years after that historical retirement age as just described. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: completion of 30 years of service at any age; or, attainment of age 55 and completion of 12 years of service. Entitlement to benefits continue through Medicare to death.

**Investment Return Assumption (Discount Rate).** GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

**Health Care Cost Trend Rate.** The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, release in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

**Mortality Rate.** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used.

## UNION PARISH SHERIFF

Farmerville, Louisiana

### Notes to the Financial Statements (Continued)

This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of “unblended” rates, we have used the 94GAR mortality table described above to “unblend” the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

***Method of Determining Value of Benefits.*** The “value of benefits” has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only (not dependents). See the section below for details on Life Insurance benefits. The medical rates provided are “blended” rates for active and retired before Medicare eligibility. We have therefore estimated the “unblended” rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

***Actuarial Methods and Assumptions.*** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far in to the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Union Parish Sheriff’s Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Union Parish Sheriff’s Office and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Union Parish Sheriff’s Office and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

***Actuarial Cost Method.*** The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

***Annual Required Contribution.*** Union Parish Sheriff’s Office Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2009 is \$96,815.

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Notes to the Financial Statements (Continued)

**Net Post-employment Benefit Obligation OPEB (Asset).** The table below shows Union Parish Sheriff's Office's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for the fiscal year ending June 30, 2012:

Annual required contribution	\$96,815
Interest on net OPEB obligation	3,012
Adjustment to annual required contribution	None
Annual OPEB cost (expense)	99,827
Contributions made	(23,273)
Increase in net OPEB obligation	76,554
Net OPEB obligation at beginning of year	150,581
Net OPEB obligation at end of year	<u>\$227,135</u>

The following table shows Union Parish Sheriff's Office annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical/Dental/Life	June 30, 2010	\$96,815	23.52%	\$74,049

**Funded Status and Funding Progress.** In the fiscal year ending June 30, 2012, Union Parish Sheriff's Office made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2009, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$956,658, which is defined as that portion, as determined by a particular actuarial cost method (Union Parish Sheriff's Office uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2010/2012, the entire actuarial accrued liability of \$956,658 was unfunded.

	Medical/Dental	Life
Actuarial Accrued Liability (AAL)	\$803,883	\$152,775
Actuarial Value of Plan Assets	0	0
Unfunded Act. Accrued Liability (UAAL)	803,883	152,775
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	1,779,699	1,779,699
UAAL as a percentage of covered payroll	45.17%	8.58%

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Notes to the Financial Statements (Continued)

**6. LONG TERM OBLIGATIONS**

At June 30, 2012, the sheriff has an outstanding issue of federal long-term revenue bonds. In 2011 the sheriff sold a revenue bond to the United States Department of Agriculture, Farmers Home Administration. The issue dated July 22, 2011 was for \$600,000. The issue bears interest at 4.125 per cent per annum. Principal and interest are to be repaid in annual payments of \$31,200 through July 22, 2051. All long-term debt is to be repaid from the revenues derived from the operation of the civil and criminal divisions of the sheriffs office.

The following is a summary of long-term obligation transactions for the year ended June 30, 2011:

	<u>Revenue Bonds</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations, June 30, 2011	NONE	\$10,919	\$10,919
Additions	\$600,000	15,797	615,797
Deletions	NONE	(12,808)	(12,808)
Adjustments		189	189
Long-term obligations, June 30, 2012	<u>\$600,000</u>	<u>\$14,097</u>	<u>\$614,097</u>

Revenue bonds payable at June 30, 2012, are comprised of the following individual issues:

\$600,000 - dated July 22, 2011. The principal is due in annual installments of \$31,200 July 22, 2051, with interest of 4.125 per cent. Debt retirement payments are made from the Sheriff's General Fund.

\$600,000

The annual requirements to amortize the revenue bonds outstanding at June 30, 2012 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013		\$24,750	\$24,750
2014	\$6,450	24,750	31,200
2015	6,716	24,484	31,200
2016	6,993	24,207	31,200
2017	7,282	23,918	31,200
2018-2022	41,169	114,831	156,000
2023-2027	50,390	105,610	156,000
2028-2032	61,676	94,324	156,000
2033-2037	75,491	80,509	156,000
2038-2042	92,399	63,601	156,000



UNION PARISH SHERIFF  
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<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2043-2047	\$113,095	\$42,905	\$156,000
2048-2051	138,339	17,661	156,000
Total	<u>\$600,000</u>	<u>\$641,550</u>	<u>\$1,241,550</u>

**7. DUE FROM/TO OTHER FUNDS**

Individual balances due from/to other funds at June 30, 2012, are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$4,323	
Agency Funds:		
Civil Fund		\$541
Criminal Fund		3,210
Tax Collector Fund		572
Total	<u>\$4,323</u>	<u>\$4,323</u>

**8. CHANGES IN AGENCY FUND BALANCES**

A summary of changes in agency fund balances due to taxing bodies and others follows:

	<u>Tax Collector Fund</u>	<u>Seizure Fund</u>	<u>Civil Fund</u>	<u>Criminal Fund</u>	<u>Total</u>
Balance, July 1, 2011	\$95,102	\$7,431	\$36,267	\$154,798	\$293,598
Additions	10,689,667	13	731,316	485,155	11,906,151
Deletions	<u>(10,724,219)</u>	<u>NONE</u>	<u>(725,888)</u>	<u>(478,178)</u>	<u>(11,928,285)</u>
Balance, June 30, 2012	<u>\$60,550</u>	<u>\$7,444</u>	<u>\$41,695</u>	<u>\$161,775</u>	<u>\$271,464</u>

**9. TAX COLLECTOR ENDING CASH BALANCE**

At June 30, 2012, the tax collector has cash and equivalents (book balances) totaling \$61,122 as follows:

Licenses	\$572
Protest taxes	56,951
Interest on protest taxes	<u>3,599</u>
Total	<u>\$61,122</u>

**UNION PARISH SHERIFF**

Farmerville, Louisiana

**Notes to the Financial Statements (Continued)**

**10. AD VALOREM TAXES COLLECTED**

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2012, by taxing body as follows:

Louisiana Forestry Service	\$28,917
Louisiana Tax Commission	6,273
Union Parish Assessor	758,046
Union Parish Police Jury	3,066,510
Union Parish School Board	3,415,910
Union Parish Sheriff	439,802
East Union Hospital	698,154
Tri Ward Hospital	228,415
Ward 5 Fire District	337,221
District 7 Fire District	167,983
District 1 Fire District	248,137
Northeast Union Fire District	146,758
North Union Fire District	27,358
Bernice Fire District	65,326
Sadie-Tiger Bend Fire District	14,435
Total	<u><u>\$9,649,245</u></u>

**11. TAX UNCOLLECTED AND UNSETTLED**

The tax collector has not collected and disbursed the following taxes for the year ended June 30, 2012, by taxing body as follows:

Union Parish Assessor	\$25,276
Union Parish Police Jury	105,784
Union Parish School Board	117,837
Union Parish Sheriff	14,494
East Union Hospital	27,093
Tri Ward Hospital	2,225
Ward 5 Fire District	1,569
District 7 Fire District	11,958
District 1 Fire District	2,081
Northeast Union Fire District	21,860
North Union Fire District	100
Bernice Fire District	1,235
Sadie-Tiger Bend Fire District	73
Total	<u><u>\$331,585</u></u>

UNION PARISH SHERIFF  
Farmerville, Louisiana  
Notes to the Financial Statements (Continued)

The majority of uncollected taxes consist of gas and oil wells and moveable property. The Sheriff has hired an outside firm to collect outstanding taxes. There are also several assessments that have been determined to be 'no property found', but the assessor has not removed it from the tax roll.

**12. OCCUPATIONAL LICENSES COLLECTED**

At June 30, 2012, the tax collector has collected and disbursed the following:

	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distribution</u>
Union Parish Police Jury	<u>\$117,588</u>	<u>\$17,638</u>	<u>\$99,950</u>

**13. LITIGATION AND CLAIMS**

The Union Parish Sheriff is not involved in any litigation at June 30, 2012, nor is he aware of any unasserted claims.

**14. EXPENDITURES OF THE SHERIFF'S OFFICE  
PAID BY THE PARISH POLICE JURY**

The Union Parish Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Union Parish Police Jury.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

UNION PARISH SHERIFF  
Farmerville, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended June 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$450,000	\$446,000	\$440,606	(\$5,394)
Sales	2,280,000	2,185,000	2,211,712	26,712
Intergovernmental revenues:				
Federal grants - federal revenue	43,000	68,536	54,231	(14,305)
State grants:				
State supplemental pay	168,000	185,000	190,096	5,096
State revenue sharing (net)	108,000	104,556	104,556	
Other state grants	17,500	17,883	34,162	16,279
Local grant		2,000	2,000	
Fees, charges, and commissions for services:				
Civil and criminal fees	290,000	166,000	187,719	21,719
Commissions on licenses and taxes	37,000	17,000	45,069	28,069
Court attendance	3,500	3,000	7,514	4,514
Transportation of prisoners	3,000	4,300	5,955	1,655
Bond fees	30,000	25,000	15,665	(9,335)
Accident reports	8,500	12,000	13,113	1,113
Other fees	2,750	4,858		(4,858)
Use of money and property	6,000	4,000	4,501	501
Other revenue	6,500	12,200	16,009	3,809
Total revenues	<u>3,453,750</u>	<u>3,257,333</u>	<u>3,332,908</u>	<u>75,575</u>
<b>EXPENDITURES</b>				
Public safety:				
Current:				
Personal services and benefits	2,712,962	2,712,962	2,833,381	(120,419)
Operating services	670,150	525,000	503,228	21,772
Materials and supplies	275,500	350,000	329,712	20,288
Travel and other charges	62,236	66,000	68,843	(2,843)
Debt service	106,000			
Capital outlay	200,000	375,000	343,609	31,391
Intergovernmental			1,555	(1,555)
Total expenditures	<u>4,026,848</u>	<u>4,028,962</u>	<u>4,080,328</u>	<u>(51,366)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(573,098)</u>	<u>(771,629)</u>	<u>(747,420)</u>	<u>24,209</u>

(Continued)

UNION PARISH SHERIFF  
 Farmerville, Louisiana  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>OTHER FINANCING USE-</b>				
Operating transfer out		<u>(\$11,667)</u>	<u>(\$11,666)</u>	<u>\$1</u>
Total financing use	<u>NONE</u>	<u>NONE</u>	<u>(11,666)</u>	<u>1</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE</b>	<u>(\$573,098)</u>	<u>(\$771,629)</u>	<u>(759,086)</u>	<u>12,543</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>2,900,000</u>	<u>3,158,448</u>	<u>3,158,448</u>	<u>NONE</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$2,326,902</u>	<u>\$2,386,819</u>	<u>\$2,399,362</u>	<u>\$12,543</u>

(Concluded)

UNION PARISH SHERIFF  
Farmerville, Louisiana

BUDGETARY COMPARISON SCHEDULE  
STATE CONSTRUCTION FUND  
For the Year Ended June 30, 2012

	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
State grant - FP&C	\$1,744,451	\$1,744,451	
Total revenues	<u>1,744,451</u>	<u>1,744,451</u>	<u>NONE</u>
<b>EXPENDITURES</b>			
Current:			
Capital outlay	1,744,451	1,744,451	
Total expenditures	<u>1,744,451</u>	<u>1,744,451</u>	<u>NONE</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	NONE	NONE	NONE
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>

See accompanying note to budgetary comparison schedule.

UNION PARISH SHERIFF  
Farmerville, Louisiana

BUDGETARY COMPARISON SCHEDULE  
USDA CONSTRUCTION FUND  
For the Year Ended June 30, 2012

	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Federal grants	\$303,776	\$303,776	
Total revenues	<u>303,776</u>	<u>303,776</u>	<u>NONE</u>
<b>EXPENDITURES</b>			
Current:			
Capital outlay	901,285	901,285	
Total expenditures	<u>901,285</u>	<u>901,285</u>	<u>NONE</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(597,509)	(597,509)	NONE
<b>OTHER FINANCING SOURCE -</b>			
Proceeds from federal bond issue	600,000	600,000	
<b>EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES</b>	2,491	2,491	NONE
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$2,491</u>	<u>\$2,491</u>	<u>NONE</u>

See accompanying note to budgetary comparison schedule.



**UNION PARISH SHERIFF**  
**Farmerville, Louisiana**

**NOTE TO BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2012**

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Union Parish Sheriff's office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

**Union Parish Sheriff  
Retiree Healthcare Plan  
June 30, 2012**

**Schedule of Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 2009	\$0	\$956,658	\$956,658	0.00%	\$1,779,699	53.75%

**Note:**

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended June 30, 2010, only one year is available. Additional information will be added after each of the next valuations. Subsequent to that, information will be presented for the latest three valuations.

STATE OF LOUISIANA

PARISH OF UNION

**AFFIDAVIT  
ROBERT G. BUCKLEY, SHERIFF OF UNION PARISH**

BEFORE ME, the undersigned authority, personally came and appeared, ROBERT G. BUCKLEY, SHERIFF OF UNION PARISH, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$61,122 is the amount of cash on hand in the tax collector account on June, 30, 2012.

He further deposed and said:

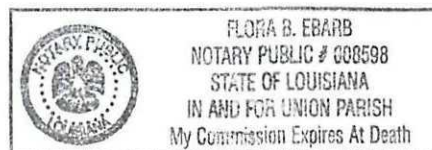
All itemized statements of the amount of taxes collected for the tax year, 2011, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.

  
ROBERT G. BUCKLEY, SHERIFF  
SHERIFF & EX-OFFICIO TAX COLLECTOR

SWORN to and subscribed before me, Notary, this 12<sup>th</sup> day of November, 2012, in my office in Farmerville, Louisiana.

  
FLORA B. EBARB, NOTARY PUBLIC #008598  
UNION PARISH, LOUISIANA



**OTHER SUPPLEMENTARY INFORMATION**

**PART III**

**UNION PARISH SHERIFF**  
**Farmerville, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**For the Year Ended June 30, 2012**

**NON MAJOR FUNDS**

**USDA CONTINGENCY RESERVE FUND**

The USDA Contingency Reserve Fund may be used for unusual or extraordinary maintenance, repairs, replacements, and extensions and for the cost of improvements to the building.

**USDA DEBT SERVICE FUND**

This fund is used to pay bond principal and interest as they become due.

UNION PARISH SHERIFF  
Farmerville, Louisiana  
GOVERNMENTAL FUND TYPE - NON MAJOR FUNDS

Combining Balance Sheet, June 30, 2012

	USDA Contingency Reserve	USDA Debt Service Fund	TOTAL
<b>ASSETS</b>			
Cash	<u>\$5,835</u>	<u>\$5,835</u>	<u>\$11,670</u>
<b>FUND EQUITY</b>			
Restricted	<u>\$5,835</u>	<u>\$5,835</u>	<u>\$11,670</u>

UNION PARISH SHERIFF  
Farmerville, Louisiana  
GOVERNMENTAL FUND TYPE - NON MAJOR FUNDS

Combining Schedule of Revenues, Expenditures, and  
Changes in Fund Balances  
For the Year Ended June 30, 2012

	USDA Contingency Reserve	USDA Debt Service Fund	TOTAL
<b>REVENUES</b>			
Use of money and property	\$2	\$2	\$4
<b>OTHER FINANCING SOURCE- Operating transfer in</b>	<u>5,833</u>	<u>5,833</u>	<u>11,666</u>
<b>TOTAL OF REVENUES AND OTHER SOURCE</b>	<u>5,835</u>	<u>5,835</u>	<u>11,670</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$5,835</u></u>	<u><u>\$5,835</u></u>	<u><u>\$11,670</u></u>

**UNION PARISH SHERIFF**  
**Farmerville, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**As of and For the Year June 30, 2012**

**FIDUCIARY FUND TYPE - AGENCY FUNDS**

**TAX COLLECTOR FUND**

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

**SEIZURE FUND**

The Seizure Fund accounts for monies seized from suspects and monies given the sheriff's office by court order on drug cases. These funds are restricted and are to used for drug enforcement.

**CIVIL FUND**

The Civil Fund accounts for funds held in civil suits, sheriff's sales, and garnishments and payment to recipients in accordance with applicable laws.

**CRIMINAL FUND**

The Criminal Fund accounts for the collection of bonds, fines, and court costs in criminal matters and payment to recipients in accordance with applicable laws.



UNION PARISH SHERIFF  
Farmerville, Louisiana  
FIDUCIARY FUND TYPE - AGENCY FUNDS

Schedule of Changes in Unsettled Balances  
Due to Taxing Bodies and Others  
For the Year Ended June 30, 2012

	<u>TAX COLLECTOR FUND</u>	<u>SEIZURE FUND</u>	<u>CIVIL FUND</u>	<u>CRIMINAL FUND</u>	<u>TOTAL</u>
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, JUNE 30, 2011</b>	<u>\$95,102</u>	<u>\$7,431</u>	<u>\$36,267</u>	<u>\$154,798</u>	<u>\$293,598</u>
<b>ADDITIONS</b>					
Deposits:					
Sheriff's sales			629,777		629,777
Fines and costs				485,155	485,155
Garnishments			67,903		67,903
Other additions		13	33,636		33,649
Taxes, fees, etc.,	<u>10,689,667</u>				<u>10,689,667</u>
Total additions	<u>10,689,667</u>	<u>13</u>	<u>731,316</u>	<u>485,155</u>	<u>11,906,151</u>
Total	<u>10,784,769</u>	<u>7,444</u>	<u>767,583</u>	<u>639,953</u>	<u>12,199,749</u>
<b>REDUCTIONS</b>					
Deposits settled to:					
Louisiana Forestry Commission	28,957				28,957
Louisiana Tax Commission	6,275				6,275
Union Parish:					
Sheriff's General Fund	575,161		193,837	102,966	871,964
Police Jury	3,405,998			20,223	3,426,221
School Board	3,564,438				3,564,438
Assessor	763,712				763,712
Clerk of Court	3,329		23,026	32,416	58,771
East Union Hospital	702,961				702,961
Tri-Ward Hospital	240,277				240,277
Ward Five Fire District	339,742				339,742
Spencer-West Sterlington Fire District	6,282				6,282
District 7 Fire District	168,867				168,867
District 1 Fire District	249,604				249,604
Northeast Union Fire District	147,321				147,321
North Union Fire District	27,646				27,646
Bernice Fire District	65,493				65,493
Sadie-Tiger Fire District	14,468				14,468
Municipalities				3,086	3,086
Pension funds	295,619				295,619
CMIS				2,279	2,279
District attorney				56,140	56,140

(Continued)

UNION PARISH SHERIFF  
 Farmerville, Louisiana  
 FIDUCIARY FUND TYPE - AGENCY FUNDS  
 Schedule of Changes in Unsettled Balances  
 Due to Taxing Bodies and Others, 2012

	TAX COLLECTOR FUND	SEIZURE FUND	CIVIL FUND	CRIMINAL	TOTAL
<b>REDUCTIONS: (CONTD.)</b>					
Deposits settled to: (Contd.)					
Indigent defender board				\$54,194	\$54,194
LA Rehabilitation Service				2,295	2,295
Criminal court fund				106,523	106,523
Judicial district court				40,118	40,118
Litigants			\$270,800		270,800
North Louisiana Crime Lab				35,721	35,721
Louisiana Commission on Law Enforcement				9,711	9,711
Redemptions	\$43,662				43,662
Other reductions	74,407		238,225	12,506	325,138
Total reductions	<u>10,724,219</u>	<u>NONE</u>	<u>725,888</u>	<u>478,178</u>	<u>11,928,285</u>
<b>UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, JUNE 30, 2012</b>	<u>\$60,550</u>	<u>\$7,444</u>	<u>\$41,695</u>	<u>\$161,775</u>	<u>\$271,464</u>

(Concluded)

**UNION PARISH SHERIFF**  
Farmerville, Louisiana

**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2012**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME</b>	<b>CFDA NUMBER</b>	<b>PASS-THROUGH GRANT NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
<b>United States Department of Agriculture</b>			
Direct Programs:			
Community Facilities Loans and Grants - Project grant	10.766	N/A	\$303,776
Community Facilities Loans and Grants -			
Direct loan revenue bonds	10.766	N/A	<u>600,000</u>
Total United State Department of Argiculture			<u>903,776</u>
<b>United States Department of Justice</b>			
Passed through Louisiana Commission on Law			
Enforcement and Administration of Criminal Justice:			
Street Sales Disruption	16.738	B07-8-018	32,348
Targeting Illegal Substances	16.738	B10-2-012	<u>19,596</u>
Total United States Department of Justice			<u>51,944</u>
<b>United States Department of Interior</b>			
Direct program - Payment in Lieu of Taxes	15.000	N/A	<u>2,287</u>
Total United States Department of Interior			<u>2,287</u>
Total Federal Financial Assistance			<u><u>\$958,007</u></u>

**FOOTNOTES:**

(1) The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting.

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART IV**

**Independent Auditor's Report Required  
by *Government Auditing Standards***

The following independent auditor's report on compliance with laws, regulations and contracts, and internal control over financial reporting are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance *Government Auditing Standards***

UNION PARISH SHERIFF  
Farmerville, Louisiana

I have audited the basic financial statements of the Union Parish Sheriff, a component unit of the Union Parish Police Jury, as of and for the year ended June 30, 2012 and have issued my report thereon dated November 12, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Union Parish Sheriff's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Union Parish Sheriff's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Union Parish Sheriff's internal control over financial reporting.

*A deficiency in internal control* exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

UNION PARISH SHERIFF  
Farmerville, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
June 30, 2012

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Union Parish Sheriff's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Union Parish Sheriff, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513(G), this report is distributed by the Legislative Auditor as a public document.

West Monroe, Louisiana  
November 12, 2012

**MARY JO FINLEY, CPA, INC.**

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**Report on Compliance With Requirements  
Applicable to Each Major Program and Internal Control  
Over Compliance in Accordance With OMB Circular A-133**

Union Parish Sheriff  
Farmerville, Louisiana

**Compliance**

I have audited the Union Parish Sheriff's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal program for the year ended June 30, 2012. Union Parish Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of referred to above is the responsibility of Union Parish Sheriff's management. My responsibility is to express an opinion on Union Parish Sheriff's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about Union Parish Sheriff's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Union Parish Sheriff's compliance with those requirements.

In my opinion, Union Parish Sheriff complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2012. However, the results of my auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.



Union Parish Sheriff  
Farmerville, Louisiana  
Report on Compliance With Requirements  
Applicable to Each Major Program and  
Internal Control Over Compliance, etc.  
June 30, 2012

**Internal Control Over Compliance**

The management of Union Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing my audit, I considered Union Parish Sheriff's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Union Parish Sheriff's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses in internal control over compliance. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Union Parish Sheriff, others within the entity, federal awarding agencies, and pass-through entities, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

West Monroe, Louisiana  
November 12, 2012

**UNION PARISH SHERIFF  
Farmerville, Louisiana**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Union Parish Sheriff.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.
3. No instances of noncompliance material to the financial statements of the Union Parish Sheriff is reported in the Auditor's Report on Compliance and Internal Control Over Financial Reporting.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Auditor's Report on Compliance With Requirements Applicable to Major Programs and Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for the Union Parish Sheriff expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Union Parish Sheriff are reported.
7. The following programs were tested as major programs:  
CFDA 10.766 Community Facilities Loans and Grants
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Union Parish Sheriff was not determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL  
AWARD PROGRAMS AUDIT**

None

**UNION PARISH SHERIFF  
Farmerville, Louisiana**

**Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2012**

**There were no audit findings reported in the audit for the year ended June 30, 2011.**